The debt collection landscape keeps changing, but a simple fact remains—organizations need to find the right ways to contact consumers, and ensure they successfully collect from the consumer/debtor when they do connect. The availability of multiple data sources—including social media—and contact channels empowers the most effective collection shops to connect and collect with more precision than ever before. However, rising debt portfolios, including student loans and health care expenses, as well as tighter regulatory requirements, can hinder performance. They can lead to increased writeoffs, loss of business, and lawsuits and penalties, when organizations don’t have the agility to quickly adapt to a complex and changing regulatory environment.

Successful organizations use a mix of analytically driven segmentation, enhanced (and streamlined) agent/debtor interactions, and a learning loop to drive efficiency, performance and compliance. Channel management strategies should reflect different treatments based on customer and debt characteristics.

Leveraging more than 30 years of technology and analytic experience in collections, FICO helps collections units of all shapes and sizes hit these challenges head on—with FICO® Debt Management Solutions. Organizations can evolve beyond traditional C&R (collections/recovery/agency management) by adding advanced analytics and optimization, multi-channel communications/payment, and other capabilities—all deployable as Software-as-a-Service (SaaS) or on-premises. Debt Management Solutions help organizations of all sizes meet C&R objectives and business goals:

- **Propel agent performance and satisfaction** by automating outbound communications, and intelligently reallocate key resources to inbound teams for enhanced service.
- **Build rather than erode debtor satisfaction and response**, using preferred contact channels, automated payment and workout options, and pre-delinquency help.
- **Obtain the right information on debtors** by connecting disparate sources such as social media, siloed customer information, collector/customer interactions and other data.
- **Reduce technology costs and operating expenses** by choosing SaaS, on-premises or a combination of deployments.

**FICO® Debt Management Solutions address today’s burning debt collection issues:**

- Finding the right channel to connect with debtors.
- Increasing competition in the race for payment share.
- Complex, changing regulations.
- Impact of social media.
- Evolution of consumer attitudes toward debt.
- Taking on more of it.
- Want to repay, but collection tactics make it tougher.
- Desire more control over the process.
- Expecting better service and flexibility from creditors.
- Variable agent/third-party performance and attrition.

What’s in the Debt Management Toolkit?

- **FICO® Debt Manager™ solution**
- **FICO® TRIAD® Customer Manager**
- **FICO® Risk Intervention Manager**
- **FICO® Score**
- **FICO® PlacementsPlus® service**
- **Collection Models and Scores**
- **FICO® Placement Optimizer™ solution**
- **Collection Optimization**
- **FICO® Engagement Analyzer**
- **FICO® Network**
FICO® Debt Manager™ solution is an enterprise-class, comprehensive application for debt collection and recovery. Debt Manager solution is designed for the challenges of today’s agencies, banks, governments, health care organizations, retailers and other organizations, large or small. Its highly configurable modern architecture allows collection departments to adapt to any portfolio or business-specific requirements. Integration with existing infrastructure is straightforward and reliable, and SaaS deployment offers additional flexibility and scalability. The solution gives teams the tools to rapidly create effective, customer-focused strategies for profitable collections and recovery—and leverage other FICO analytic tools, such as mobile collections and speech analysis. Multiple preconfiguration templates significantly reduce time to go-live.

**Work smarter and drive debtor connectivity**

**Configuration, not customization:** Highly configurable user interface meets individual roles and specific industry requirements, without IT support.

**Measure results:** Leverage more than 70 out-of-the-box reports, and easily build dashboards to analyze business by portfolio, portfolio group, office, workforce hierarchy, vendors and many other criteria.

**Improve workflow efficiency:** Adjust workflows in real time, segregate accounts using the rules engine, and with strategies, scheduled and on-demand jobs, automatic distribution, redistribution and other workflow options.

**Improve the user experience:** Context-sensitive help menus, configurable screens and fast response times add up to a positive and productive collector/debtor experience.

**Fine-tune collection treatments and compliance**

**Maintain records automatically:** The solution serves as the C&R System of Record with built-in accounting functionality, tracking and managing receivables in real time.

**Simplify compliance:** Access regulatory information and corporate policy and product requirements, through a centralized framework, with pop-up alerts and audit tracking.

**Streamline payment arrangements:** Get paid via authorized settlement plans, convenience fees and support for industry standard payment methods, including credit card, debit card, ACH and check.

**Sharpen strategies with analytics:** Leverage FICO® Custom Scores, analytic models, and optimization to fine tune the best treatments for each portfolio, lender segments and regulatory requirements.

**Reach consumers through their preferred channels:** Improve customer contacts and increase the likelihood of resolution through FICO® Risk Intervention Manager to target the right contact channel for each debtor.

**Drive agent performance and compliance:** Leverage next-generation speech analytics capabilities through FICO® Engagement Analyzer.

**Protect sensitive data with ironclad security:** Data is protected against breaches, with a 256-bit encryption layer for added security. Sensitive data can be masked and displayed only to specified users with required authorization.

**Know what happened and when, with audit trails:** Access date- and time-stamped audit trails containing historical logs of accurate, complete and up-to-date information.

**Integrate with virtually any tool or product:** Using an extensive Web Services library, the solution integrates easily with third-party systems.

**Realize substantial results**

Organizations that deploy the Debt Manager system report performance gains across the board, including:

- **Increased collection revenue:** Doubled revenue in one year and increased average remittance size.
- **Decreased operational costs:** 40% increase in daily processing volume, with 32% decrease in average account processing time.
- **Improved customer experience:** 35% fewer account corrections and 41% lower average customer contact time.
### Empower Debtor Connectivity with Multichannel Collections

Debtors expect and respond to collectors who communicate with them through their preferred channels. **FICO® Risk Intervention Manager** uses mobile communications to shape targeted action and resolution strategies. It connects risk assessment and strategy creation—delivering the right message, over the right channel, at the right time. **Risk Intervention Manager** helps organizations:

- **Improve customer retention:** The solution delivers tailored interactions based on broader and more complex data, to engage the debtor while minimizing losses from delinquency.
- **Leverage the right channel:** Sophisticated engagement strategies enable collectors to connect with customers over their choice of mobile, voice, SMS or email—at the right time—to drive resolution.
- **Facilitate easier payment and rehabilitation:** Leverage analytics to generate payment options, and make it easy for customers to respond electronically—putting them in control and on a track to recovering their good credit.
- **Quickly adapt the solution to your needs:** Rapidly integrate with analytics, rules management applications, and decision engines and operational systems—such as the FICO® Debt Manager™ solution—experience fast start-up times and enjoy the operational benefits of a tested solution.

Organizations that have used Risk Intervention Manager have achieved:
- 45% reduction in closing balances vs. neutral strategy.
- 30% reduction in closing balances vs. offshore call center resources.
- 18% improvement in roll rate from cycle 1 to 2.
- 34% reduction in collections letters sent.
- 69% of inbound calls managed without agent intervention.

### Take the Guesswork Out of Placements

Agencies, attorneys, debt buyers and internal recovery departments are fundamental to successfully meeting recovery and loss objectives. Maintaining control and distribution of accounts to these critical resources can be a difficult, time-consuming and manual process, unless the infrastructure is in place to streamline and manage accounts and stakeholders. **The FICO® PlacementsPlus® service** streamlines placement and management of contingency accounts within a single user interface. It helps organizations maintain control over the distribution and management of accounts to agencies, attorneys, debt buyers and internal recovery departments.

Augmenting the PlacementsPlus service is the **Placement Optimizer™** solution, which leverages custom analytics to identify the collection agency, attorney or placement channel that will most likely optimize collections on accounts of that type. Placement Optimizer solution helps creditors leverage FICO analytics to match every account to the best placement option, using channel strengths and weaknesses to manage assignments.

Organizations that have used the PlacementsPlus service and Placement Optimizer solutions have achieved:
- 30% increase in recovery dollars and 40% decrease in costs; 25% recovery uplift in first month alone.
- 99% reconciliation with vendors on account placement balance.
- 12% liquidation rate increase.
- 5%-20% lift in recoveries through optimized account placement.
- Performance improvement of 10%-20% through models that are frequently retrained.

### Make Smarter, Faster, Compliant Decisions with Advanced Analytics

Savvy debt collection functions leverage analytics to make smarter decisions, automate rules and workflow, create sophisticated predictive models, and optimize resource use, workouts, or treatment priorities (see Collections Optimization Use Cases next page).

As a global leader in connecting better decisions to smarter actions, FICO has been driving innovations in debt collection analytics for more than 30 years. Through the **FICO® Decision Management Platform**, we offer analytic tools and decision services to allow businesses of all sizes and levels of sophistication to solve their most challenging debt management problems. These include:

- **FICO® Collection Scores** help collectors decide which accounts to work with and how, covering the spectrum of collection opportunities from early stage to recoveries. They’re ideal for any organization, including those with limited historical data or that are new to analytics.

  **Collection Optimization** (see below) applies advanced analytic tools to address specific business issues, helping organizations boost collections performance while accounting for specific constraints. **Collection Models** are analytically powered tools that help organizations predict outcomes based on their specific business objectives and data, helping a collector decide, for example, whether to allow an account to self-cure, charge-off or do nothing at all.

### FICO Analytic Tool Snapshot

<table>
<thead>
<tr>
<th><strong>Collection Scores</strong></th>
<th>Drive improved C&amp;R segmentation and outcomes.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collection Optimization</strong></td>
<td>Help deliver optimal outcomes based on business goals and constraints.</td>
</tr>
<tr>
<td><strong>Custom Collection</strong></td>
<td>Performance-improving C&amp;R models using business-specific analytic data.</td>
</tr>
</tbody>
</table>
What’s your data doing?

Today, “Big Data” is on everyone’s mind—particularly in C&R, where unlocking siloed information (from other departments, agent/debtor interactions, etc.) is a constant challenge. The Decision Management Platform includes Big Data Analytic Components, such as analytic services, data connectors and visualization tools, which make technologies previously accessible by only the largest companies available to small- and mid-sized organizations, and individual business units.

FICO also provides consulting and development expertise for those organizations seeking external help in addressing business challenges.

C&R implementations of any size are often costly and risky. With shoestring capital budgets and limited IT resources, many businesses have opted to delay or cancel new investments, which can result in lost opportunities—and put them at risk of being non-compliant with evolving regulations.

FICO® Debt Manager™ solution leverages preconfigured templates and SaaS deployment to help organizations take advantage of new technologies and capabilities in an accelerated time frame, without requiring the initial time and cost investment associated with typical enterprise implementations. For all on-premises and SaaS projects, FICO provides implementation support, training and configuration to help organizations move forward quickly.

Some businesses may opt for a fast-track implementation, and then modify their solution over time. Changes can be made to the core system without customization, so business users can modify the solution and retain changes for easy, no-vendor upgrades.

Rapid implementation options and services

For organizations seeking to drive greater performance from their debt management capabilities, and those unsure about implementing a new system, FICO provides deep analytic and consulting expertise to assist you in improving your C&R performance.

- **Examine the current technical and business environment** for readiness in implementing a new debt management solution; and address specific questions or concerns.

- **Transform debt management strategies with advanced analytics**, such as predictive models, data strategies (including unlocking “Big” and siloed data), and decision modeling and optimized strategies to address your key business objectives.

- **Prepare for a compliance audit** using a proprietary FICO checklist of key to-dos, determining if organizational systems and practices are in alignment with regulatory best practice.

- **Frame a roadmap of operational and systematic improvement opportunities** with FICO operational, analytic and strategic professionals who help you to develop solutions to drive dramatic improvements throughout the entire customer/debtor lifecycle.

- **Expand the capabilities and use of Debt Manager solution** with FICO technical and consulting services that help organizations meet departmental, corporate, regional or other goals. A series of business and analytic consulting engagements can help identify and act on quick-win enhancements.

FICO currently supports more than 500 collections and recovery clients around the world, across a variety of industries, representing hundreds of millions of customers, and billions of dollars of debt.

A subset of our clients includes: Sallie Mae; The Outsource Group; National Recovery Agency (NRA); Enterprise Recovery Systems (ERS); Phillips & Cohen Associates; Xerox; Educational Assistance Services (EAS); China Minsheng Bank; Scotiabank International; GE Capital; Deutsche Bank; Raiffeisen International; and Gjenside Bank.

### Sample Collection Optimization Use Cases

<table>
<thead>
<tr>
<th>Area</th>
<th>Decision</th>
<th>Example Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-delinquency</td>
<td>Customer outreach for payment reminders or eduction</td>
<td>Minimize collection expense while hitting retention and fee goals</td>
</tr>
<tr>
<td>Early stage collections</td>
<td>Priority and treatment of accounts</td>
<td>Maximize profit while controlling operational expenses</td>
</tr>
<tr>
<td>Mortgage workouts</td>
<td>Restructure terms</td>
<td>Maximize NPV while balancing with loss and staying within policy</td>
</tr>
<tr>
<td>Credit card workouts</td>
<td>Which accounts to settle pre-charge off and for what amount</td>
<td>Maximize total payments received while balancing short and long term perspective</td>
</tr>
<tr>
<td>Settlement after charge-off</td>
<td>Who is the most likely candidate for a settlement and for what amount</td>
<td>Maximize total payments received while controlling total ‘give back’</td>
</tr>
<tr>
<td>Agency placement</td>
<td>Which accounts to place with which agency</td>
<td>Maximize liquidation rates while controlling agency expense</td>
</tr>
</tbody>
</table>

Drive ROI with FICO analytic and consulting expertise

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